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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

PAID UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made thi	s_ <u>38+</u> L	day of	May	, 2009, b	y and between
Abner Ontiveros, and	vife Ludivi	a Andro	ule		
whose addresss is 3533 Now 1 and, DALE PROPERTY SERVICES, L.K.C., hereinabove named as Lessee, but all other particular of a cash bonus idescribed land, hereinafter called leased prenders.	2100 Ross Avenue, provisions (including to n hand paid and the	Suite 1870 D	of blank space	75201, as Lessee. All printed portions of t	ssee.
275 ACRES OF LAND, MOI OUT OF THE Masonie H	000 # 2 _ , TA	RRANT CO	OUNTY, TE	XAS, ACCORDING TO THAT C	
IN VOLUME 388-K	, PAGE <u>\$3</u>	9	OF TH	E PLAT RECORDS OF TARRAN	IT COUNTY, TEXAS.
in the County of <u>Tarrant</u> , State of TEXAS, reversion, prescription or otherwise), for the substances produced in association therew commercial gases, as well as hydrocarbon g land now or hereafter owned by Lessor which Lessor agrees to execute at Lessee's request of determining the amount of any shut-in royal	purpose of exploring ith (including geophy ases. In addition to are contiguous or a any additional or sup	for, developing ysical/seismic the above-dese adjacent to the oplemental inst	ng, producing operations). scribed leased above-describuments for a	and marketing oil and gas, along with al The term "gas" as used herein includer premises, this lease also covers accretion bed leased premises, and, in consideration more complete or accurate description of t	I hydrocarbon and non hydrocarbon s helium, carbon dioxide and other nos and any small strips or parcels of n of the aforementioned cash bonus, he land so covered. For the purpose
This lease, which is a "paid-up" leas as long thereafter as oil or gas or other substi otherwise maintained in effect pursuant to the	ances covered hereb	, shall be in fo y are produced	rce for a prima d in paying qu	ary term of Five (5 antities from the leased premises or from I	_)years from the date hereof, and for ands pooled therewith or this lease is
3. Royalties on oil, gas and other subseparated at Lessee's separator facilities, the Lessor at the wellhead or to Lessor's credit at the wellhead market price then prevailing in prevailing price) for production of similar generalized for or other excise taxes and the cost have the continuing right to purchase such protein then prevailing in the same field, then in the nearest preceding date as the date on which the leased premises or lands pooled therewild hydraulic fracture stimulation, but such well on be producing in paying quantities for the purpbeing sold by Lessee, then Lessee shall pay depository designated below, on or before the are shut-in or production there from is not be Lessee from another well or wells on the leas of such operations or production. Lessee's fa 4. All shut-in royalty payments under the Lessor's depository agent for receiving pay draft and such payments or tenders to Lesson address known to Lessee shall constitute propayment hereunder, Lessor shall, at Lessee's 5. Except as provided for in Paragraph premises or lands pooled therewith, or if all pursuant to the provisions of Paragraph 6 convertheless remain in force if Lessee common the leased premises or lands pooled there the end of the primary term, or at any time to operations reasonably calculated to obtain or no cessation of more than 90 consecutive dathere is production in paying quantities from the leased premises from uncompensated drainal additional wells on the	trances produced and e royalty shall be to royalty shall be the oil purchaser's the same field (or if rade and gravity; (bs.) of the process incurred by Lessee duction at the prevanearest field in which essee commences in are capable of either the same field in which essee commences in are capable of either the same capable of either shown in a commence of the same capable of either the same capa	ransportation there is no sur) for gas (inceds realized be in delivering, illing wellhead in there is such is purchases her producing oi-in or production is lease. If for dollar per acreperiod and the provided that pooled therevibut-in royalty it do rendered to changes in the by deposit in depository sho is see a proper drills a well who or not in paying governmental reworking an effer completion is not otherwise refrom, this lead to producing is located on the producing is located on the service of the service	facilities, province facilities, and a prevailing presented; and a period of 90 fee then covere treafter on or but if this lease with, no shut-inshall render Lease for the US Mails uld liquidate or recordable in inch is incapabing quantities) authority, the existing well on of operations se being mainease shall remult in the prodict the trewith as a rein paying quantitier and therewith as a rein paying quantitier and there in paying quantitier and the prodict facilities.	prevailing in the same field, then in the nay head gas) and all other substances or the sale thereof, less a proportionate part of the sale thereof, less a proportionate part of otherwise marketing such gas or other subtances or otherwise marketing such gas or other subtances or otherwise marketing such gas or other subtances covered hereby in paying quis not being sold by Lessee, such well or wells are side by this lease, such payment to be made before each anniversary of the end of said is otherwise being maintained by operation royalty shall be due until the end of the glessee liable for the amount due, but shall not be succeeded by another institution, or first tument naming another institution, or first tument naming another institution as depicted for the event this lease is not otherwise for drilling an additional well or for otherwise for drilling an additional well or for otherwise in the event this lease is not otherwise for drilling an additional well or for otherwise in the event the same of the ending of a such dry hole or within 90 days after so a such dry hole or within 90 days after so a such dry hole or within 90 days after so a such dry hole or within 90 days after so a such dry hole or within 90 days after so a such dry hole or within 90 days after so a such dry hole or within 90 days after so a such dry hole or within 90 days after so a such dry hole or within 90 days after so a such dry hole or within 90 days after so a such dry hole or within 90 days after so a such dry hole or within 90 days after so a such dry hole or within 90 days after so and the substances of After completion of a well capable of production of the leased premises or lands production on the leased premises or lands production of the leased premises or lands producting the substances of lands production of the leased premises or lands production of t	o be delivered at Lessee's option to right to purchase such production at earest field in which there is such a overed hereby, the royalty shall be of ad valorem taxes and production, bstances, provided that Lessee shall ame field (or if there is no such price outracts entered into on the same or time thereafter one or more wells on uantities or such wells are waiting on wells shall nevertheless be deemed to hut-in or production there from is not to Lessor or to Lessor's credit in the 90-day period while the well or wells ons, or if production is being sold by 0-day period next following cessation of operate to terminate this lease. bove or its successors, which shall a made in currency, or by check or by epository or to the Lessor at the last or any reason fail or refuse to accept ository agent to receive payments, after called "dry hole") on the leased cluding a revision of unit boundaries to being maintained in force it shall rise obtaining or restoring production such cessation of all production. If at ed in drilling, reworking or any other such operations are prosecuted with overed hereby, as long thereafter as ucing in paying quantities hereunder, er the same or similar circumstances coled therewith, or (b) to protect the enant to drill exploratory wells or any
depths or zones, and as to any or all substa proper to do so in order to prudently develop unit formed by such pooling for an oil well whorizontal completion shall not exceed 640 ac completion to conform to any well spacing or of the foregoing, the terms "oil well" and "gas prescribed, "oil well" means a well with an initifect or more per barrel, based on 24-hour equipment; and the term "horizontal completic component thereof. In exercising its pooling Production, drilling or reworking operations on the leased premises, net acreage covered by this lease and include Lessee. Pooling in one or more instances shunit formed hereunder by expansion or contributions are premised or permitted by the governmental making such a revision, Lessee shall file of released premises is included in or excluded frobe adjusted accordingly. In the absence of pra written declaration describing the unit and st	nces covered by this properate the leased ich is not a horizonta res plus a maximum density pattern that n weil" shall have the all gas-oil ratio of less production test cond ion" means an oil we orights hereunder, Le injwhere on a unit v except that the product all not exhaust Lesse all not exhaust Lesse all not exhaust Lesse authority having juris ecord a written declar ion the unit by virtue of oduction in paying qu ating the date of term tral estate in all or an	lease, either premises, wh is completion is acreage tolera hay be prescribe meanings presented under rivell in which the size shall file which includes uction on which to the total gree's pooling right in the control of such revisionantities from a limation. Pooling by part of the le	before or afte ether or not si hall not excee ince of 10%; poded or permitte scribed by applicable feet permitte of the production of record a wall or any pacts hereunde er commence on form to an authorize a unit, or upon ing hereunder assed premise.	er the commencement of production, wher imitar pooling authority exists with respect to 480 acres plus a maximum acreage tolers or ovided that a larger unit may be formed feed by any governmental authority having juplicable law or the appropriate government or barrel and "gas well" means a well with a ring conditions using standard lease sepacomponent of the gross completion interval written declaration describing the unit and unt of the leased premises shall be treated yalty is calculated shall be that proportion in the unit, but only to the extent such profit, and Lessee shall have the recurring righ ment of production, in order to conform to by productive acreage determination made unit and stating the effective date of revision of unit production on which royalties ar permanent cessation thereof, Lessee may shall not constitute a cross-conveyance of s, the royalties and shut-in royalties payable.	never Lessee deems it necessary or to such other lands or interests. The ance of 10%, and for a gas well or a pran oil well or gas well or horizontal urisdiction to do so. For the purpose tal authority, or, if no definition is so in initial gas-oil ratio of 100,000 cubic arator facilities or equivalent testing wat in facilities or equivalent testing in the reservoir exceeds the vertical stating the effective date of pooling, of as if it were production, drilling or of the total unit production which the exportion of unit production is sold by it but not the obligation to revise any by such governmental authority. In the case of the exposition of the experimental authority. In the payable hereunder shall thereafter or terminate the unit by filing of recordinterests.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days No change in Lessor's after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lesser has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pry or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of e area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced

in accordance with the net acreage interest retained hereunder

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized nerewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing. Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures.

now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from expiration of this lease. Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and

expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface we easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or

other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until

Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

operations

Q

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and market ms

may vary depending on multiple factors and that this Lease is the product or good faith negotiations. Lesson into that these lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terminal terms.
IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signature, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.
LESSOR (WHETHER ONE OR MORE)
Abun Ourwood X Ludiving andrade By: By:
Sy.
ACKNOWLEDGMENT
STATE OF Texas
This instrument was acknowledged before me on the 28 H day of may 2009, by: About Contiveros and wife, Ludivina Andrade
MENO CATIVESS and Dite, EURIVINA MARKE
JORGE VALENCIANO Notary Public, State of Notary Public, State of Notary's name (printed): Notary's commission expires: June 13, 2012
STATE OF COUNTY OF
This instrument was acknowledged before me on theday of, 2009, by:
Notary Public, State of



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

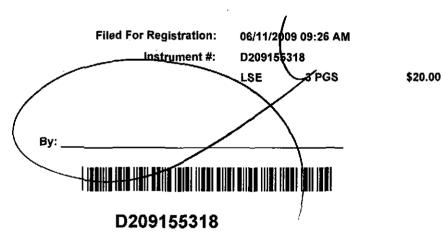
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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